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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

[X] QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended March 31, 1992

FQ2-2268

OR

[ ] TRANSITION REPORT PURSUANT TO SECTION 13 OR
15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from ..... to .....

Commission file number 0-13161

First-Knox Banc Corp.
(Exact name of registrant as specified in its charter)

Ohio	31-1121049
(State or other jurisdiction of incorporation or organization)	(I.R.S Employer Identification No.)

One South Main Street, Mount Vernon, Ohio 43050
(Address of principal executive offices)
(Zip Code)

(614) 393-5500
(Registrant's telephone number including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15 (d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes X No

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Number of shares of Common Stock, Par Value $3.125 per share at April 24, 1992

Authorized	3,000,000
Issued & Outstanding	1,343,655

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FIRST-KNOX BANC CORP.

FORM 10-Q

QUARTER ENDED MARCH 31, 1992

Part I - Financial Information

Interim Financial Information required by Rule 10-01 of Regulation S-X and Item 303 of Regulation S-K is included in this Form 10-Q as referenced below:

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FIRST-KNOX BANC CORP.
Consolidated Balance Sheet
($ Amounts in Thousands)

	March 31, 1992	December 31, 1991
ASSETS		
Cash and due from banks	$9,112	$11,824
Federal funds sold	14,400	7,800
Cash and cash equivalents	23,512	19,624
Investment securities (market value $49,867 and $51,886) (Note 2)	48,425	49,712
Mortgage-backed securities (market value $48,533 and $52,549) (Note 2)	48,025	51,241
Loans and lease financing (Note 3)	268,861	261,554
Less allowance for loan and lease losses (Note 4)	(2,878)	(2,905)
Net loans and lease financing	265,983	258,649
Premises and equipment, net	4,962	5,073
Accrued interest receivable and other assets	7,795	7,445
TOTAL ASSETS	$398,682	$391,744
LIABILITIES AND SHAREHOLDERS' EQUITY		
Deposits:		
Non-interest bearing demand	$33,165	$33,744
Interest bearing demand	35,535	34,418
Savings	110,382	100,093
Time	175,608	178,665
Total deposits	354,690	346,920
Short-term borrowings	7,381	8,638
Long term debt	5,224	5,300
Accrued interest payable and other liabilities	3,606	3,742
TOTAL LIABILITIES	370,901	364,600
Shareholders' equity (Note 1):		
Common stock, par value $3.125 per share; authorized 3,000,000 shares -- issued and outstanding 1,343,655 in 1992 and 1,343,403 in 1991	4,199	4,198
Paid-in capital	11,965	11,959
Retained earnings	11,617	10,987
TOTAL SHAREHOLDERS' EQUITY	27,781	27,144
TOTAL LIABILITIES & SHAREHOLDERS' EQUITY	$398,682	$391,744

The accompanying notes are an integral part of the financial statements

FIRST-KNOX BANC CORP.
Consolidated Statement of Income
($ Amounts in thousands except per share data)

	3 Months Ending March 31, 1992	1991
Interest income:		
Loans and Leases, including fees	$6,476	$6,761
Investment and mortgage-backed securities		
Taxable	1,470	1,601
Non-taxable	376	409
Federal funds sold	80	194
TOTAL INTEREST INCOME	8,402	8,965
Interest expense:		
Deposits	4,180	5,073
Short-term borrowings	114	159
Long-term debt	104	113
TOTAL INTEREST EXPENSE	4,398	5,345
Net interest income	4,004	3,620
Provision for loan & lease losses (Note 4)	304	226
Net interest income after provision for loan and lease losses	3,700	3,394
Other income:		
Income from fiduciary activities	105	99
Service charges on deposit accounts	262	259
Securities gains	3	
Other	187	182
TOTAL OTHER INCOME	557	540
Other expense:		
Salaries & employee benefits	1,365	1,298
Occupancy and equipment	381	415
FDIC Insurance	197	159
Other	1,189	1,087
TOTAL OTHER EXPENSE	3,132	2,959
Income before federal income taxes	1,125	975
Federal income tax expense	252	180
Net income	$873	$795
Earnings per common share (Note 1): Primary	$0.65	$0.59
Fully Diluted	$0.61	$0.56
Weighted average common shares outstanding (Note 1): Primary	1,343,555	1,343,403
Fully Diluted	1,553,403	1,553,403

The accompanying notes are an integral part of the financial statements

FIRST-KNOX BANC CORP.
Condensed Consolidated Statement of Changes in Shareholders' Equity
($ Amounts in thousands except per share data)

	3 Months Ending March 31,	
	1992	1991
alance, beginning of period	$27,144	$24,586
52 shares of common stock issued upon conversion of 8.5% convertible, subordinated debentures	6	
et income	873	795
ash dividends, declared at a per share rate of $.18 in 1992 and $.17 in 1991 (Note 1)	(242)	(231)
alance, end of period	$27,781	$25,150

The accompanying notes are an integral part of the financial statements

FIRST-KNOX BANC CORP.
Condensed Consolidated Statement of Cash Flows
($ Amounts in thousands)

	3 Months Ending March 31, 1992	1991
Net cash provided by operating activities	$886	$254
Cash Flows from Investing Activities:		
Purchases of investment and mortgage-backed securities	(4,132)	(8,518)
Proceeds from sales of investment and mortgage-backed securities	139	
Proceeds from maturities of investment and mortgage-backed securities	8,496	3,417
Net increase in loans and leases	(11,347)	(3,440)
Proceeds from sale of loans	3,709	
Expenditures for premises and equipment	(24)	(273)
Proceeds from sales of other real estate owned		101
Net cash applied to investing activities	(3,159)	(8,713)
Cash Flows from Financing Activities,		
Net increase in deposit accounts	7,770	11,572
Net (decrease) in short-term borrowings	(1,257)	(175)
Principal repayments of long-term debt	(70)	(70)
Cash dividends paid	(282)	(256)
Net cash provided by financing activities	6,161	11,071
Net Increase in Cash and Cash Equivalents	3,888	2,612
Cash and cash equivalents at beginning of period	19,624	20,678
Cash and Cash Equivalents at end of period	$23,512	$23,290
Supplemental Cash Flow information:		
Interest Paid	$4,444	$5,425
Income Taxes Paid	$77	$0

The accompanying notes are an integral part of the financial statements

FIRST-KNOX BANC CORP.
Notes to the Consolidated Financial Statements

Note 1 - SUMMARY OF ACCOUNTING POLICIES:

The consolidated financial statements include the accounts of the First-Knox Banc Corp., and its wholly-owned subsidiaries; The First-Knox National Bank and The Farmers and Savings Bank. All significant intercompany transactions have been eliminated.

These interim financial statements are prepared without audit and reflect all adjustments of a normal and recurring nature which, in the opinion of management, are necessary to present fairly the consolidated financial position of First-Knox Banc Corp. at March 31, 1992 and its results of operations and cash flows for the periods presented. The accompanying consolidated financial statements do not purport to contain all the necessary financial disclosures required by generally accepted accounting principles that might otherwise be necessary in the circumstances. Accordingly, these financial statements should be read in conjunction with the 1991 consolidated financial statements and notes thereto of First-Knox Banc Corp. included in its Annual Report for the year ended December 31, 1991.

The provision for income taxes is based upon the effective tax rate expected to be applicable for the entire year.

Primary earnings per share is computed based on the weighted average shares outstanding during the year. Fully diluted earnings per share is computed by adding the after tax interest cost of the convertible, subordinated debentures to net income and dividing the results by the fully diluted weighted average shares outstanding during the year. Fully diluted shares are calculated assuming the conversion of each $1,000 of debentures outstanding for 42 shares of common stock. All per share data has been adjusted for a 5% stock dividend declared in July, 1991, and distributed in October, 1991.

During the first quarter of 1992 no options for common shares or stock appreciation rights were granted. At March 31, 1992, no options have been exercised. The effect of exercising the outstanding options would result in less than 3% dilution in earnings per share and accordingly, have not been computed. There was no material compensation recognized during the first quarter of 1992 or the first quarter of 1991 related to stoc appreciation rights. At March 31, 1992 exercisable options and stock appreciation rights are not material.

The Corporation through its subsidiary banks grants residential, consumer, and commercial loans to customers in the central Ohio counties of Knox, Morrow, Holmes, Ashland and Richland. In addition the Corporation is in the business of commercial and consumer leasing. Commercial loans, mortgage loans, consumer loans and leases comprise 24.5%, 54.2%, 20.7%, and 0.6% of total loans and leases respectively, at March 31, 1992.

The Corporation in it normal course of business, makes commitments to extend credit which are not reflected in the financial statments. At March 31, 1992, unused credit lines amounted to approximately $35,003,000 and commitments under outstanding letters of credit amounted to approximately $353,000. Since many commitments to make loans expire without being used, the amount does not necessarily represent future cash commitments. Collateral obtained related to the commitments is determined using management's credit evaluation of the borrower and may include real estate, vehicles, business assets, deposits, and other items. In managements's opinion these commitments represent normal banking transactions, and no material losses are expected to result therefrom.

Certain items in the 1991 financial statements have been reclassified to correspond with the 1992 presentation.

Note 2 - INVESTMENT SECURITIES AND MORTGAGE-BACKED SECURITIES:
Investment securities and mortgage-backed securities are carried at cost adjusted for amortization of premiums and accretion of discounts. Gains and losses on sales of securities are computed on the identified security method. The amortized cost and estimated market value of investments in debt securities are as follows at March 31, 1992 and December 31, 1991:

March 31, 1992

($ amounts in thousands):	AMORTIZED COST	GROSS UNREALIZED GAINS	GROSS UNREALIZED LOSSES	ESTIMATED MARKET VALUE
U.S. Treasuries and Agencies	$21,316	$222	($74)	$21,464
States and Political Subdivisions	25,856	1,112	(30)	26,938
Other	1,253	212		1,465
Total Investment Securities	48,425	1,546	(104)	49,867
Mortgage-backed securities	48,025	608	(100)	48,533
TOTAL	$96,450	$2,154	($204)	$98,400

December 31, 1991

($ amounts in thousands):	AMORTIZED COST	GROSS UNREALIZED GAINS	GROSS UNREALIZED LOSSES	ESTIMATED MARKET VALUE
U.S. Treasuries and Agencies	$21,223	$445		$21,668
States and Political Subdivisions	26,233	1,495	(6)	27,722
Other	2,256	240		2,496
Total Investment Securities	49,712	2,180	(6)	51,886
Mortgage-backed securities	51,241	1,329	(21)	52,549
TOTAL	$100,953	$3,509	($27)	$104,435

At March 31, 1992 the contractual maturities of debt securities had not changed significantly from the schedule shown for December 31, 1991.

Proceeds from the sale of debt securities were $139,000 during the first quarter of 1992 resulting in gross gains of $3,000.

Note 3 - LOANS AND LEASE FINANCING:

Loans and leases are comprised of the following ($ amounts in thousands):

	March 31, 1992	Dec 31, 1991
Real estate loans	$145,708	$141,281
Loans to farmers, other than real estate loans	4,420	4,417
Commercial and industrial loans	51,269	47,979
Consumer and credit card loans	55,728	58,155
Obligations of states and political subdivisions	6,775	6,626
Other loans	3,403	1,788
Lease Financing	1,558	1,308
	$268,861	$261,554

Note 4 - ALLOWANCE FOR LOAN AND LEASE LOSSES:

Activity in the allowance for possible loan and lease losses is summarized as follows for the three months ended March 31 ($ amounts in thousands):

	1992	1991
Balance, beginning of period	$2,905	$2,715
Provision for loan and lease losses	304	226
Losses charged to the allowance, net of recoveries of $37 and $32	(331)	(181)
Balance, end of period	$2,878	$2,760

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion focuses on the consolidated financial condition of First-Knox Banc Corp. at March 31, 1992, compared to December 31, 1991, and the results of operations for the three months ended March 31, 1992, compared to the same period in 1991. The purpose of this discussion is to provide a better understanding of the consolidated financial statements. This discussion should be read in conjunction with the interim consolidated financial statements and footnotes included in this Form 10-Q. The Registrant is not aware of any market or institutional trends, events or uncertainties that will have or are reasonably likely to have a material effect on liquidity, capital resources or operations except as discussed herein. Other than as discussed herein, the Registrant is not aware of any current recommendations by regulatory authorities which would have such effect if implemented.

Financial Condition

Liquidity

Liquidity relates to the Corporation's ability to meet cash demands of its customers and their credit needs. Liquidity is provided by the Corporation's ability to readily convert assets to cash and raise funds in the market place. Traditional asset liquidity is provided by cash and readily marketable, short-term assets such as federal funds sold and deposits in other banks.

Cash, amounts due from banks and federal funds sold totaled $23.51 million at March 31, 1992. These assets as well as scheduled loan payments and maturing investment securities, provide the Corporation with an adequate source of funds for expected future demand for loans and for fluctuations in deposit volume. They also provide management with the flexibility to change the composition of interest earning assets as market conditions change in the future. The sale of $3.7 million in mortgage loans during the first quarter of 1992 provided funding for increased mortgage loan demand.

Liability liquidity relates to the Corporation's ability to retain existing deposits, obtain new deposits and borrow in the market place. Total deposits increased $7.77 million for the three months ended March 31, 1992. This increase was represented by growth in retail and public savings deposits. Management anticipates core deposits to continue to experience moderate growth or remain stable.

Capital Resources

Shareholders' equity totaled $27.78 million at March 31, 1992, compared to $27.14 million at December 31, 1991. This increase was due primarily to earnings retention. As of March 31, 1992, the ratio of shareholders' equity to assets was 6.97% compared to 6.93% at December 31, 1991.

Cash dividends declared during the three months ended March 31, 1992 were $241,858 or $.18 per share representing 27.71% of net income and an increase of 5.02% over the first three months of 1991.

Risk-Based Capital

The Federal Reserve established risk-based capital requirements for U.S. banking organizations, calling for risk weights to be assigned to on and off-balance sheet items in arriving at risk adjusted total assets. At March 31, 1992, the required minimum ratio to risk-adjusted assets was 7.25%, of which at least half must consist of equity capital. At year-end 1992, the minimum total capital ratio becomes 8.0%, of which at least 4.0% must consist of equity capital net of any goodwill. The Corporation currently complies with these requirements as the consolidated risk-based capital ratio at March 31, 1992, was 13.41%. The Corporation's Tier I and leverage ratios at March 31, 1992, have not changed significantly from those disclosed in the Corporation's annual report on Form 10-K for the year ended December 31, 1991.

Changes in Financial Condition

Consolidated total assets were $398.7 million at the end of the current period after recording growth of $6.94 million or 1.77% during the first three months of 1992. This growth was funded almost entirely by deposits which increased by $7.77 million during the first three months of 1992. Most of the deposit growth was in savings deposits. Federal funds sold increased by over $6.6 million, loans and leases increased by $7.3 million, and investments and mortgage-backed securities decreased by $4.5 million during the first three months of 1992. The real estate loan portfolio increased by $4.43 million or 3.13%, while commercial and other loans increased $5.06 million or 8.32%. Consumer and credit card loans declined by $2.43 million or 4.17%, while lease financing balances decreased by $.23 million or 12.86%.

The allowance for loan and lease losses as a percentage of loans and leases was 1.07% at the end of the current period and 1.11% at the end of 1991. Net loan and lease charge-offs were $331,000 for the first three months of 1992 representing an annualized rate of .50% of the average loan and lease balances. This represented an increase of $150,000 in net charge-offs compared to the first quarter of 1991. Net charge-offs for commercial loans were $80,000 or 173.91% higher than 1991 while net charge-offs for consumer and credit card loans were $43,000 or 33.08% higher than 1991. Management anticipates similar quarterly losses for the remainder of 1992. Loans past due more than 90 days plus loans placed in non-accrual status were $2.31 million or 0.86% of outstanding balances at March 31, 1992 compared to $2.52 million or 0.96% of outstanding balances at the end of 1991.

Results of Operations

Consolidated net income of $873,000 for the first quarter of 1992 was 9.81% over the same period in 1991. Expressed as annualized returns on average assets and average shareholders equity, respectively, first quarter net income for 1992 was .89% and 12.71% compared to .84% and 12.78% for 1991. Primary earnings per

share increased $.06 to $.65 for the first quarter of 1992 compared to the same period in 1991. Fully diluted earnings per share increased $.05 to $.61 per share for first quarter 1992 compared to the first quarter 1991.

The increased level of net income for 1992 resulted primarily from a 10.61% increase in net interest income. This was partially offset by a 5.85% increase in non-interest expenses. Non-interest income recorded growth of $17,000 or 3.15%. These items are discussed in more detail below.

Increased net interest income resulted from a $15.03 million or 4.20% increase in average earning assets, and an improvement in the annualized net interest margin rate (net interest income adjusted for tax-exempt income restated to a pre-tax equivalent based on the statutory federal tax rate [FTE] divided by average earning assets) of 20 basis points to 4.54%, compared to the first quarter of 1991. The net interest spread percentage (the FTE average earning asset yield minus the average cost of funds) improved 27 basis points to 3.92% for the first quarter of 1992 compared to the same period of a year ago.

Non-interest income of $557,000 during the first quarter of 1992 represented an annualized .57% of average assets compared to $540,000 or .57% of average assets for the same period in 1991. Fiduciary income essentially kept pace with trust asset growth.

The 5.85% comparative increase in non-interest expenses for the first quarter of 1992 related principally to increased data processing costs as a result of the subsidiary banks enhancing their data processing capabilities in February 1991. Increased FDIC deposit premiums also made a notable contribution to the increase. These non-interest expenses also include employee salaries, pensions and group health insurance costs as well as occupancy, advertising, state taxes and other operating expenses.

As a percentage of income before federal income taxes, federal income tax expense was 22.40% during the first quarter in 1992 and 18.46% during the first quarter in 1991. These effective tax rates are lower than the statutory tax rate of 34% due primarily to tax exempt income from obligations of states and political subdivisions and non-taxable loans.

The Financial Accounting Standards Board's Statement No. 109, " Accounting for Income Taxes" is required to be adopted by the Corporation no later than 1993. Statement 109 requires a change from the deferred method to the assets and liability method of accounting for income taxes. Current and deferred tax assets and liabilities will be determined based on tax rates and laws enacted as of the balance sheet date. The Corporation has determined that the cumulative effect of this accounting change, if adopted would not have a material impact on net income. The Corporation has elected not to adopt this pronouncement in 1992.

The Financial Accounting Standards Board's Statement No. 106, " Employers Accounting for Postretirement Benefits Other Than Pensions," is scheduled to become effective for the Corporation in 1993. This pronouncement will require employers to accrue the cost of retiree health and other post-retirement benefits during the working career of active employees. A preliminary analysis of the statement indicates that the after tax expense for the Corporation would be approximately $125,000 for the first quarter of 1993, which includes amortization of the actuarially computed transition obligation. The actuarial and benefit

assumptions used in this analysis are subject to change and could materially impact the actual expense after adoption of this statement.

PART II - OTHER INFORMATION
(Items which are not applicable have been omitted)

Item 4 - Submission of Matters to a Vote of Security Holders

The annual shareholders' meeting was held on March 24, 1992. The following was voted on by the shareholders:

	VOTING	
	Affirmative	Negative
Amendment to the Articles of Incorporation to increase the authorized common shares of the Corporation to 3,000,000.	1,213,739	8,770

The proxy statement dated February 25, 1992, describing these matters in detail, was included as an exhibit to the Corporation's annual report on Form 10-K for the year ended December 31, 1991.

Item 6 - Exhibits and Reports on Form 8-K.

	Description	Location
(a)	Exhibit 4 --- Indenture Dated June 8, 1989, between The Corporation and National Bank of Detroit, as Trustee.	Incorporated herein by reference to Exhibit 4 to the Corporation's Annual Report On Form 10-K For the period ended December 31, 1990

(b) No reports on Form 8-K were filed during the fiscal quarter covered by this report.

Signatures

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

First-Knox Banc Corp.
(Registrant)

Date May 13, 1992

Carlos E. Watkins
President and Chief Executive Officer

Date May 13, 1992

Gordon E. Yance
Vice President & Treasurer